



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
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NOV 01 2011

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, D.C. 20426

Reference Docket Nos. CP11-56 -000 and PF10-17-000

Dear Ms. Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed the draft environmental impact statement (DEIS) for the New Jersey-New York Expansion Project. The proposed pipeline and appurtenances would be located in New Jersey and New York State and would deliver up to 800,000 dekatherms per day of natural gas to serve metropolitan New York and New Jersey, including a new direct pipeline connection to the Borough of Manhattan, New York. This review was conducted in accordance with Section 309 of the Clean Air Act, as amended (42 U.S.C 7609, PL 91-604 12 (a), 84 Stat. 1709) and the National Environmental Policy Act (NEPA).

The proposed project would include construction and operation of 19.8 miles of new and replacement 42- and 30-inch diameter pipeline and abandonment of 8.95 miles of existing pipelines. Also included are the construction and operation of six new metering and regulating (M&R) stations, modification of four existing compressor stations, installation of aboveground over-pressure protection regulation at two existing M&R stations, installation of three pig launchers and two pig receivers, relocation of four pig receivers and removal of two pig launchers, and the installation of four mainline and three tap valves along the proposed pipeline facilities.

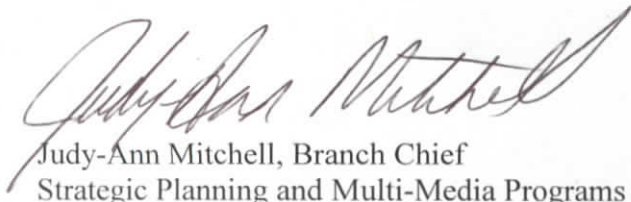
EPA commends the Federal Energy Regulatory Commission (FERC) on its efforts to work with all the cooperating agencies during the preparation of the DEIS. While concurring with the findings of the FERC staff as enumerated in Section 5.2 of the DEIS, EPA does have some concerns with Recommendations 17 and 24 concerning the horizontal directional drilling (HDD) for the 18th Street/Long Slip, Hudson River and Mersedes Street. Although FERC is requesting information on alternative workspace configurations and needs, and the scheduling necessary to meet the proposed in-service date for the project prior to the end of the draft EIS comment period, this information should have been included in the DEIS in order to allow public comments on all workspace alternatives, and any cumulative impacts should the schedule be compressed, and several drilling rigs be working at once in the area of Hoboken. As the DEIS implies that these sites may prove difficult to drill, the ability of the applicant to install the pipeline in these locations using HDD should be proven before the rest of the pipeline is installed.

Similarly, in Recommendations 19 and 20, FERC staff requires more information of the applicant concerning wetland impacts at Yards 4 and 7 and a site-specific crossing and restoration plan for Bridge Creek and the adjacent wetlands. This information should have been included in the DEIS for public review.

EPA has also enclosed some technical comments on the DEIS with this letter.

EPA has rated the DEIS and the proposed alternative as Environmental Concerns – *Insufficient Information* (EC-2) as the alternative workspace configurations and scheduling for several HDD sites have not been identified, and information concerning some wetlands impacts were not provided in the DEIS (see enclosed rating sheet). If you have any questions regarding this review or our comments, please contact Lingard Knutson of my staff at (212) 637-3747.

Sincerely,

A handwritten signature in dark ink, appearing to read "Judy-Ann Mitchell". The signature is fluid and cursive, with the first name "Judy-Ann" and the last name "Mitchell" clearly distinguishable.

Judy-Ann Mitchell, Branch Chief
Strategic Planning and Multi-Media Programs Branch

Enclosures

**EPA Comments on New Jersey/New York Expansion Project,
New Jersey and New York State
Draft Environmental Impact Statement dated September 2011**

1. Page 3-11, Figure 3.2.1-1. Ensure that all relevant pipelines are on the map.
2. Page 3-21, Section 3.4.1.2. The second paragraph in this section identifies "Section 2.2.4.4" as discussing HDD. There is no Section 2.2.4.4.
3. Page 4-94. Vessel Traffic in the Hudson River, Second Paragraph. The word "constricted" should be "constructed."
4. Page 4-153. The Ramapo M&R Station would be constructed adjacent to an existing facility but the additional footprint would require tree removal. To offset the loss of this carbon sink, EPA suggests that the applicant re-plant native trees elsewhere to mitigate for the removal of 0.41 acre of existing trees.
5. Page 4-192. The section on Title V permitting refers to Table 4.11.1-12, which is not in the document.

SUMMARY OF RATING DEFINITIONS AND FOLLOW-UP ACTION
Environmental Impact of the Action

LO-Lack of Objections

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC-Environmental Concerns

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

EO-Environmental Objections

The EPA review has identified significant environmental impacts that must be avoided to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU-Environmentally Unsatisfactory

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of environmental quality, public health or welfare. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommend for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1-Adequate

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2-Insufficient Information

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

Category 3-Inadequate

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analysis, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From: EPA Manual 1640, "Policy and Procedures for the Review of Federal Actions Impacting the Environment."